Company Number: 06564638

Scancell Holdings plc

REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS

for the year ended 30 April 2020

Scancell Holdings plc
COMPANY INFORMATION

DIRECTORS

Dr John Chiplin
Dr Cliff Holloway
Professor Lindy Durrant
Dr Sally Adams
Dr Richard Goodfellow
Martin Diggle
Dr Ursula Ney
Susan Clement Davies

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Scancell Holdings plc

CHAIRMAN'S STATEMENT

for the year ended 30 April 2020

I am pleased to report the Group's final results for the year ended 30 April 2020 and provide a summary of the progress that has been made.

Investment

In June 2019, Vulpes Life Science Fund ("Vulpes"), a new shareholder invested £3.87 million acquiring 16.7% of the Company. Post year end, in August 2020, Scancell raised £15 million (£14.1million net): £8 million from the issue of ordinary shares through a Subscription (£5 million), Placing (£2m) and Open Offer to existing shareholders (£2 million) plus the issue of £6 million in Convertible Loan Notes. I am pleased to welcome Redmile Group LLC ("Redmile"), as a new shareholder who subscribed for £5 million in ordinary shares and £5 million in convertible loan notes and the Board is grateful to all shareholders who participated in the fund raising with the placing and open offer to shareholders being significantly over subscribed. In addition to this funding, in August 2020 the Company announced that it had been awarded a grant of approximately £2 million by Innovate UK to initiate a Phase 1 clinical trial for the development of a vaccine for COVID-19. On 12 October, a further proposed investment round of up to £33 million was announced, which was comprised of a subscription for £12.1 million by Redmile and, subject to shareholder approval, a further subscription by Redmile for convertible loan notes with an aggregate principal amount of approximately £17.9 million. There will also be an open offer to existing shareholders to raise additional gross proceeds of up to £3 million.

Operational impact of COVID-19

The COVID-19 pandemic adversely affected the last six weeks of our financial year and has continued to impact the Company since the year-end. The health and safety of our staff is a key priority and since the start of the pandemic, Scancell has taken the appropriate measures to protect its employees. The Oxford office where staff are predominantly desk based was closed at the end of March and staff continued to work effectively from home. The laboratories located within the University of Nottingham were closed from mid- March at the direction of the University. These reopened after the year end in August with a reduced capacity as 'social distancing' and other protective measures resulted in the number of staff allowed in the laboratories and offices in Nottingham being significantly reduced. Whilst the laboratory staff were able to perform many other tasks remotely, closure of the laboratory inevitably resulted in delays in some research activities including work on Modi-2 and Modi-3 together with progress on antibodies being slower than originally planned.

As hospitals have focused their resources on managing COVID-19 patients, Nottingham City hospital, in common with other hospitals in the UK, has currently stopped all clinical trials. As a result, we have temporarily paused SCIB1 002, our Phase 2 clinical study of SCIB1 for patients with advanced melanoma who are also receiving the checkpoint inhibitor pembrolizumab (Keytruda®). It is expected that this trial will re-commence in late 2020 dependent upon Nottingham City hospital's response to any further significant increases in COVID-19 hospitalised cases.

ImmunoBody® platform

Scancell's ImmunoBody® immunotherapy platform uses the body's immune system to identify, attack and destroy tumours. This is achieved by delivering a DNA plasmid to enhance the uptake and presentation of cancer antigens to harness high avidity T cell responses. Each ImmunoBody® vaccine can be designed to target a particular cancer in a highly specific manner, offering the potential for enhanced efficacy and safety compared with more conventional approaches. These cancer vaccines have the potential to be used as monotherapy or in combination with checkpoint inhibitors and other agents. The Directors believe that this platform has the potential to enhance tumour destruction, prevent disease recurrence and extend survival.

SCIB1 is Scancell's lead product and is being developed for the treatment of metastatic melanoma. In a Phase 1/2 clinical trial, survival with SCIB1 treatment appears superior to historical survival rates, with 14 of 16 resected patients receiving 2-4 mg doses of SCIB1 surviving for more than five years (as reported in February 2018).

SCIB2 is being developed for the treatment of non-small cell lung cancer (NSCLC) and other solid tumours. Scancell

has entered into a clinical development partnership with Cancer Research UK (CRUK) for SCIB2.

SCIB1 melanoma vaccine and Phase 2 clinical trial

Scancell has initiated a Phase 2 clinical study of Scancell's lead ImmunoBody®, SCIB1, for patients with advanced melanoma who are also receiving the checkpoint inhibitor pembrolizumab (Keytruda®). Although pembrolizumab is an approved therapy for advanced melanoma, response to treatment is limited to only a subset of patients (circa 30%). The Phase 2 study is therefore designed to assess whether the addition of SCIB1 treatment will result in an improvement in the tumour response rate, progression-free survival and overall survival in 25 patients with advanced melanoma who are also eligible for treatment with pembrolizumab.

The Company had previously announced that it had received the necessary regulatory and ethical approvals to initiate the UK arm of the SCIB1 clinical trial. In February 2020, the Investigational New Drug (IND) application to the U.S. Food and Drug Administration (FDA) for SCIB1 was also approved. Following regulatory approval, patient screening was initiated in the UK, with Professor Poulam Patel, Professor of Clinical Oncology at the University of Nottingham as the Chief Investigator for the global study. The Company is actively engaged with four clinical sites in the UK with re-commencement of patient enrolment planned for late H2 2020, contingent on the impact of any future COVID-19 restrictions.

SCIB2 vaccine

SCIB2, Scancell's second ImmunoBody® therapy, targets an antigen called NY-ESO-1, which is expressed on a range of solid tumours, including non-small cell lung cancer (NSCLC), oesophageal, ovarian, bladder and prostate cancers, as well as neuroblastoma, melanoma and sarcoma.

Pre-clinical studies have demonstrated that administration of the SCIB2 DNA plasmid as a liposomal nanoparticle results in potent immune responses and prolonged survival. The nanoparticle technology utilises known lipid carriers that are optimised to deliver SCIB2 DNA to immune cells. The liposomal nanoparticles protect the DNA from degradation and facilitate efficient uptake, expression and T-cell activation against cancer cells. The nanoparticle delivery system provides an alternative approach to electroporation, which has been used to deliver the SCIB1 ImmunoBody® agent to patients. This new nanoparticle approach to deliver SCIB2 is expected to achieve results that are as effective as, or even better than, electroporation.

In December 2017, Scancell entered into a clinical development partnership with Cancer Research UK (CRUK). Under the terms of the partnership, CRUK will fund and sponsor a UK- based Phase 1/2 clinical trial of SCIB2 in combination with a checkpoint inhibitor in patients with solid tumours. However, in light of severe funding pressures, CRUK are currently reviewing their ability to continue to support their broad range of programmes.

COVIDITY

As announced on 24 April 2020, Scancell initiated a research programme to develop a vaccine for COVID-19, in collaboration with scientists in the newly established Centre for Research on Global Virus Infections and the new Biodiscovery Institute at the University of Nottingham, and Nottingham Trent University. Since the year end Scancell has announced that the research programme collaboration has secured non-dilutive funding from Innovate UK, the UK's Innovation Agency. Scancell is set to receive approximately £2 million of the collaboration awarded funding which will be used to initiate a Phase 1 clinical trial ("COVIDITY") during 2021.

Scancell's DNA vaccines target dendritic cells to stimulate high avidity T cells that survey and destroy diseased cells. This approach was highly successful with Scancell's lead ImmunoBody® cancer vaccine, SCIB1, which was safely administered to patients with malignant melanoma, and mediated excellent 5-year survival in a Phase 1/2 clinical trial. Scancell's aim is to utilise its proven clinical expertise in cancer to produce a simple, safe, cost-effective and scalable vaccine to induce both durable T cell responses and virus neutralising antibodies (VNAbs) against COVID-19. As research data emerges, it is becoming increasingly clear that the induction of potent and activated

T cells may play a critical role in the development of long-term immunity and clearance of virus-infected cells. Although other vaccines may reach the clinic earlier, the Company believes its combined T cell and antibody approach should give more potent and long-lasting responses, ultimately leading to better protection.

SARS-CoV-2 is the virus that causes COVID-19. Scancell's DNA vaccine will target the SARS-CoV-2 nucleocapsid (N) protein and the key receptor-binding domain of the spike (S) protein to generate both T cell responses and VNAbs against the SARS-CoV-2 virus. The N protein is highly conserved amongst coronaviruses; therefore, this new vaccine has the potential to generate protection not only against SARS-CoV-2, but also against new strains of coronavirus that may arise in the future.

As announced on 2 October 2020, Cobra Biologics (Keele, UK) has been selected to manufacture the Company's COVID-19 DNA vaccine in compliance with Good Manufacturing Practice (GMP). GMP production represents a crucial step in the development of Scancell's COVID-19 vaccine and Cobra's long-established plasmid production platform along with in-house expertise will ensure the highest quality plasmids are produced for the COVIDITY trial.

Moditope® platform

Scancell's Moditope® is an immunotherapy platform targeting tumour associated stress-induced post-translational modifications (siPTMs) to stimulate the production of unprecedented killer T-helper cell (CD4 T-cells) responses that induce anti-tumour activity without toxicity. Moditope® vaccines comprise citrullinated or homocitrulliated tumour-associated peptide epitopes which stimulate the production of cytotoxic CD4 T-cells which identify, target and destroy the tumour cells. Pre-clinical studies have shown that conjugation of the Modi-1 peptides to Amplivant® enhances anti-tumour immune responses 10-100 fold and resulted in highly efficient tumour eradication, including protection against tumour recurrence.

Modi-1

Modi-1 is the first Moditope® vaccine and consists of two citrullinated vimentin peptides and one citrullinated enolase peptide. Vimentin and enolase peptides are highly expressed in triple negative breast cancer (TNBC), ovarian cancer, head and neck cancer, as well as many other cancers.

In January 2020, the Company announced an update on progress towards initiating the Modi-1 Phase 1/2 clinical trial. This has been advanced further since then, with successful completion of GMP drug substance manufacture for all three of the conjugates that comprise the Modi-1 product. Importantly, the technical challenges reported in January concerning one of the peptide components have been successfully resolved, enabling successful progression to GMP drug product manufacture and formulation of clinical supplies for two of the peptide components in Q3 2020, with the third component anticipated to be manufactured in Q4 2020.

As reported in June 2020, formal regulatory-compliant toxicity studies have now been completed, with no evidence of any local or systemic toxicities being reported. In addition to the Scientific Advice meeting held with the Paul-Ehrlich-Institut regulatory authority in 2019, a further successful meeting was held with the UK Medicines and Healthcare products Regulatory Agency in February 2020. The Company continues to progress the necessary processes and documentation required for regulatory submission to start the planned clinical study in the UK in the first half of 2021, with clinical trial application targeted for Q4 2020. Based on these current timeline expectations, interim data is expected H2 2021 which is likely to include safety data and potentially early efficacy indicators. A more extensive trial result read out is expected around the end of 2022.

Modi-2

Whilst Modi-1 acts by stimulating the production of CD4 T cells using citrullinated tumour-associated peptide epitopes, Modi-2 exploits a new modification, stimulating the production of cytotoxic CD4 T cells using

homocitrullinated tumour-associated peptide epitopes. Whereas citrullination involves the conversion of the amino acid arginine to citrulline, the process of homocitrullination involves the conversion of lysine to homocitrulline. Scancell believes this second mechanism of action has the potential to broaden the utilisation of the Moditope® platform.

Modi-2 is currently in pre-clinical development and work is underway to characterise specific homocitrullinated peptides for clinical development that have the potential to address different cancer indications to Modi-1, including tumours with a particularly immunosuppressive environment.

The data generated to date clearly demonstrates the potential of homocitrullinated, as well as citrullinated, tumour-associated peptide epitopes to be developed for the treatment of solid cancers.

T Cell Receptor (TCR) Research

The Company continues its research programme to screen and identify T cell receptors that recognise Moditope® epitopes

Clinical Advisory Board
In May 2019 the Group created a Clinical Advisory Board ('CAB') as part of a wider strategy to fully develop and deliver the full potential of the Moditope® platform across multiple tumour types. The CAB is chaired by Professor Robert Coleman, Emeritus Professor of Medical Oncology at Weston Park Hospital and the University of Sheffield and together with Professor Coleman includes a further five world-leading clinicians. The initial focus of the Board is to inform the clinical strategy for the planned Modi-1 clinical trial and to ensure the best possible outcome in several solid tumour indications, including ovarian cancer, head and neck cancer, and triple negative breast cancer.

Monoclonal antibodies

Monoclonal antibody ('mAbs') therapeutics have proven to be effective in the treatment of many cancer indications and identification of new products against novel targets are highly sought after in the field. In April 2018, Scancell acquired, from the University of Nottingham, a number of novel monoclonal antibodies against tumour-associated glycans with the aim to further develop and identify lead therapeutic candidates.

Most mAbs for the treatment of cancer target proteins on the cancer cell surface and subsequently mediate an immune response to eliminate that cell. However, there remains an unmet need for new and improved therapeutic targets, as well as improved approaches to mediate cell killing. All cells are covered by a dense layer of sugar structures, called glycans, which change when a normal cell turns into a cancerous one. Hence, tumour-associated glycans (TaGs) are motifs that are associated with tumour malignancies which can be targeted by antibodies.

Scancell's development pipeline includes mAbs against specific TaGs with superior affinity and selectivity profiles, that have now been further engineered using the Company's AvidiMab™ technology; this confers the Scancell anti-TaG mAbs with the ability to directly kill tumour cells.

AvidiMab™ has broad potential to increase the avidity or potency of any therapeutic monoclonal antibody including those being developed for autoimmune diseases, as well as cancer. A patent application has been filed that seeks broad protection for the AvidiMab™ technology establishing it as Scancell's third proprietary immunotherapy platform technology, together with ImmunoBody® and Moditope®.

The Company entered into three non-exclusive research agreements with leading antibody technology companies in Europe, the USA and China to evaluate the Company's anti-TaG mAbs including those enhanced with the AvidiMab™ technology. TaGs can be targeted by several other tumour cell killing approaches, including antibody drug conjugates (ADC), redirected T-cells, and also adoptive cell therapies such as chimeric antigen receptor (CAR) T cells. Commercial discussions were initiated with one of the evaluation parties towards a partnering transaction for one of the TaG antibodies; however, with the additional funds available from the October Capital Raise, the

Company now intends to add further value to both the AvidiMab™ platform and the TaG antibodies before concluding any partnering deals of this nature.

Patents

Two new patents were filed in 2020: A modified Fc vaccine patent extending the life of the munoBody® platform and providing new coverage for infectious disease vaccines was filed. In addition, a patent for a new Moditope® citrullination target, nucleophosmin, was also filed.

During 2020 four Patent Cooperation Treaty (PCT) applications have been filed, with publication expected in early 2021:

- AvidimabTM (2019, Fc modified antibodies)
- SSEA4 mAbs (2019 FG2811mAb)
- FucGM1mAbs (2019,FL134 mAbs)
- FG27 mAb (2019)

The Modi-2 patent was published as a PCT application in March 2020. Patents for modified enolase peptides, which will add to Company's protection of Moditope® vaccines for the treatment of cancer, have been accepted for grant in Australia and awarded in Europe and USA. In addition, a TaG monoclonal antibody, FG129, patent has been accepted for grant in USA and was awarded earlier this year in Europe and published in Brazil.

Scancell currently has 14 patent families.

Corporate

During the financial year Scancell announced the appointment of Martin Diggle and Dr Ursula Ney as Non-Executive Directors of the Company. In addition, Susan Clement Davies has been appointed a Non-Executive Director of the Company since the year end.

Martin's extensive experience of investment management in the life science sector will add a valuable perspective and insight to the Board of Directors. Ursula has over twenty years' experience in senior leadership roles in the pharmaceutical and biotechnology industry and her late stage development experience in this sector will be invaluable as the Company continues to develop its product pipeline. Susan is an experienced life sciences financier with over 25 years of capital markets and investment banking experience

Matthew Frohn resigned as a Non-Executive Director of Scancell after serving on the Board since 2008 and since the year end, Dr Alan Lewis resigned from the Board due to health reasons. I would like to thank them both for the invaluable contribution made to the Group and wish them well for the future.

Staff

The Board is well aware of the effort and dedication that all of our staff have shown over the year. This is especially so as staff have been operating in the new work environment necessitated by the COVID-19 pandemic. The Directors thank them for all their efforts in these unprecedented and challenging times.

Financial

Profit or Loss and Other Comprehensive Income Statement

The Group made an operating loss for the year to 30 April 2020 of £6.78 million (2019: loss of £6.73 million).

There has been an increase in development expenditure to £4.67 million (2019: £4.15 million). During the financial year the manufacture of SCIB1 product was completed and the GMP manufacture of Modi-1 has continued. Costs

for the SCIB1 002 clinical trial were not as high as budgeted due to the COVID-19 pandemic which resulted in hospitals pausing non-COVID-19 clinical trials.

The reduction in administrative expenditure to £2.12 million (2019: £2.58million) expenditure is due to a one- off licence fee paid in the 2018/19 financial year which did not re-occur in 2019/20.

The Loss before taxation amounted to £6.77 million (2019: £6.71million) The R&D tax credit increased to £1.26 million (2019: £1.09 million) as a result of the increased development expenditure in the year.

Overall, the loss for the year was £5.51 million (2019: loss £5.63 million).

Statement of Financial Position

At 30 April 2020 the net assets of the Group amounted to £7.65 million (2019: £9.34 million) including cash at bank of £3.58 million (2019: £4.56 million).

Following the adoption of IFRS 16, Right-of-Use assets in the year ended 30 April 2020 were recognised and added to the balance sheet for an amount of £152k (2019: nil). The net book value amounted to £132k (2019: £nil). The corresponding lease liabilities were also recognised and at 30 April 2020 the non-current liability element amounted to £79k (2019: £nil) and the current liability element amounted to £50k (2019: £nil). The IFRS-16 assessment identified one lease which met the criteria and this has resulted in the year on year movement. See note 9 for further details.

The tax receivable due at the end of the year amounted to £1.26 million (2019: £1.83 million) and relates to the R&D tax credit for the 2019/20 tax year. The amount outstanding in respect of the prior year related to the 2018/19 and 2017/18 tax years and were received during the 2019/20 financial year.

The reduction in Trade and other receivables to £371k (2019: £678k) is as a result of pre-paid expenditure relating to the manufacture of Modi-1 recognised in 2018/19, being expensed during the 2019/20 financial year.

The current Trade and other payables have reduced to £1.04 million (2019: £1.21 million) Trade payables have fallen to £395k (2019: £717k) partly as a consequence of COVID-19 lock-down restrictions that were imposed in the last six weeks of the financial year. All balances owing to suppliers at the end of the year were paid in accordance with their terms and conditions.

Current lease liabilities have increased to £50k (2019: nil) and non-current lease liabilities have increased to £79k. This increase has arisen as a result of the implementation of IFRS 16 and the capitalisation of lease liabilities.

Consolidated Cash Flow Statement

The Consolidated Cash Flow Statement shows the net decrease in cash for the year was £985k (2019: net decrease £5,743k) the main reasons for the smaller decrease in cash compared with previous year are:

- Net proceeds from issue of share capital in the year of £3.83 million (2019: £1.13 million)
- Research & Development tax credits received of £1.83 million (2019: £nil)
- Changes in working capital at the end of the respective years which are explained in the paragraphs above.

Since the end of the year, bank balances have increased significantly as a consequence of the £15m gross (£14.1m net proceeds) raised in August 2020 and a further subscription of £12.1 million gross (£11.6 million net proceeds) being received in October 2020.

Outlook

In August, the Company completed a fundraising for £15 million (net £14.1million) before expenses primarily to fund the Company's Phase 1/2 clinical trial for Modi-1 and Phase 2 clinical trial for SCIB1, but also to strengthen the Company's balance sheet whilst it explored potential partnering discussions for the Company's antibody technology. The funding also enabled Scancell to continue the initial development of its COVID-19 vaccine until additional third party funding was secured. In this regard, the Company subsequently announced that it had been successful in securing a grant of approximately £2 million from Innovate UK which is expected to cover the majority of costs for the Phase 1 trial.

The additional proposed October capital raise of up to £33 million, assuming full take up of the offer, will provide Scancell with significant additional balance sheet strength and will allow the Company to extend the utility of its Moditope®, Immunobody® and AvidiMab™/TaG antibody products and platforms to accelerate and broaden its development pipeline of new potential novel therapies. In particular, the proceeds are expected to be used to:

- Initiate and advance new and existing Immunobody® and Moditope® programmes, such as Modi-2, which is currently in pre-clinical development
- Expand the Company's resources and capabilities in development and clinical operations to expedite programmes to the clinic and broaden their potential clinical utility
- Build on existing antibody expertise to further advance the preclinical development of the TaG antibodies, including as antibody-drug conjugates ("ADC")
- Supplement the Innovate UK funding for the rapid development of a COVID-19 vaccine
- Broaden the Company's intellectual property portfolio

This additional capital will also provide the Company with further flexibility regarding the development plans for its existing therapies to ensure both optimal development and commercialisation strategies can be pursued and to limit the potential impact on the Company of economic pressures caused by COVID-19 on the Company's partners or potential future partners.

COVID-19 has made this an unprecedented and challenging period, however we have made strong progress as a business and we would like to thank all our shareholders for their ongoing support.

John Chiplin
Chairman 15 October 2020

Scancell Holdings plc
STRATEGIC REPORT
for the year ended 30 April 2020

PRINCIPAL ACTIVITY

The principal activity of the Group in the year under review was that of the discovery and development of novel vaccines for the treatment of cancer.

REVIEW OF THE BUSINESS AND FUTURE PROSPECTS

A detailed review of the business and likely future developments is included in the Chairman's statement from page 2.

The results of the Group for the year are set out in the Consolidated Profit or Loss and other Comprehensive Income statement on page 29.

SECTION 172 STATEMENT

Under Section 172(1) of the Companies Act 2006, a director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

a) the likely consequences of any decision in the long-term;
b) the interests of the Company's employees;
c) the need to foster the Company's business relationships with suppliers and others;
d) the impact of the Company's operations on the community and the environment;
e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
f) the need to act fairly between members of the Company.

The Corporate Governance Statement set out on pages 10 to 14 and the Company's website, www.scancell.co.uk, the framework of our engagement with key stakeholder groups and should be read in conjunction with the table below which sets out how the Directors engage with employees and other key stakeholders.

Stakeholder	Topics	How we engage
Employees Scancell's 22 employees are based on two sites in Nottingham and Oxford.	Ensuring both sites view themselves as one Company; communicating performance of the Company; motivating staff	Regular Company meetings with both sites; weekly meetings at individual sites; easy access to Executive Directors; granting of share options
Investors and shareholders Scancell is a pre-revenue Company and is dependent upon existing and future investors to fund its research and development products	Business Strategy clearly setting out the progress with projects in development and cash requirements	Use of financial PR consultants; interviews with Proactive investors the release of information through the Group's website; the Regulatory News Service of the London Stock Exchange.; meeting individual shareholders at AGM
Suppliers Scancell has a wide range of suppliers for consumable items and a few key suppliers who are key to our manufacturing of product	Management of supplier relationships ensuring consumable and other items are delivered on time and at right price	During the year the Company appointed a Procurement Solutions provider to manage our relationships with Suppliers providing materials for the laboratory. Key suppliers are managed in-house with regular meetings being held with Scancell management
Contract Research Organisations CROs are key to managing Scancell's clinical trial programmes	Management of clinical trials and recruitment of patients; Regulatory and pre-clinical services	Rigorous selection process before engaging CRO and then regular project meetings

Principal decisions in 2019/20

We have considered the decisions taken by the Board which will have an impact on the longer-term performance and prospects for the Group. The Board believes that the following decisions taken during the year and since the year end fall into this category and were made with full consideration of both internal and external stakeholders. The group's aim is to meet the needs of the key stakeholders who ultimately wish for the research and trials to produce a vaccine for those current and future projects. The communication with these stakeholders, along with discussions internally have resulted in the following significant events and decisions throughout the year:

Significant events/decisions	Key s172 matter(s) affected	Actions and impact
Having obtained regulatory approval in the UK for a SCIB1 002 clinical trial, the US IND application was withdrawn, and clinical trial in the UK was initiated	Employees, Contract Research Organisations	Consulted with employee development teams and Contract Research Organisations to initiate the clinical study
Entered into collaboration with University of Nottingham and Trent University to develop a COVID19 vaccine and applied for government grant.	Employees	Decisions were made by the executive team in consultation with the Board after carefully considering impact upon existing staff resources and available funding.
Since the year end, acceptance of £27.1m (gross) investment from existing and new investors, including Redmile Group, a leading US biotech investor to enable Group to progress its clinical trials	Shareholders	Consultation with major shareholder and approval from shareholders at General Meeting

The Group's board regularly reviews its current and projected finances to ensure that it has sufficient capital resources to execute its business plan.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board meets regularly to review the operations of the business and discuss risk areas.

A system of internal controls has been established and the Board ensures that management keeps these processes under regular review and improves them where appropriate. These systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board have identified the following risks relating to the Company and its business.

Business strategy may change

The future success of the Company will depend on the Directors' ability to continue to implement effectively its business strategy. In particular, the pursuit of that strategy may be affected by changes in social and demographic factors or by changes in the competitive environment in the markets in which the Group currently operates or expects to operate. If such changes were to materialise the Directors may decide to change certain aspects of the Group's strategy. This might entail the development of alternative products and services, which would place

additional strain on the Company's capital resources and may adversely impact on the revenues and profitability of the Group.

Future funding requirements and success of partnership discussions

The Company may require further funding in the future to continue to develop its assets towards commercialisation. There is no guarantee that the Company will be able to secure non-dilutive funding for any of its assets including, but not limited to, licence arrangements with third parties and grant funding. There is no guarantee that the Company will successfully conclude licensing discussions for its technologies on terms that are acceptable to Shareholders or at all. The Board reviews the timelines for completing projects in conjunction with cashflow projections to ensure that the Group will have the necessary cash resources available.

Technology and products

Scancell is an immunotherapy drug discovery company. Its success is dependent upon the development, successful licensing and patenting of its proprietary technology and its products. Products within Scancell's pipeline, both in house and in development with partners, are in relatively early stages of development and, as such, there is no guarantee that the products can be successfully manufactured for clinical testing. There is a risk that safety issues may arise when the products are further tested in man. This risk is common to all new classes of drugs and, as with all other drug companies, there is a risk that trials may not be successful. In order to mitigate these risks, the Group employs external consultants and advisers to review these underlying assumptions and the results from preclinical development and clinical trials. The Board considers these assessments and internal documentation on a regular basis and where necessary will amend or adjust the Group's strategy.

Product development timelines

Product development timelines are at risk of delay, particularly since it is not always possible to predict the rate of patient recruitment into clinical trials and due to the impact of COVID-19 is unknown. There is a risk therefore that product development could take longer than presently expected by the Directors; if such delays occur the Company may require further working capital. The Directors seek to minimise the risk of delays by careful management of projects and through the Capital Raise.

Patents

The field of antibody and immunotherapy drug development is highly litigious. Scancell's priorities are to protect its IP and seek to avoid infringing other companies' IP. To protect its technology, Scancell has secured and is securing further worldwide rights to patents protecting both the ImmunoBody®, Moditope® and AvidiMab™ platforms. However, there remains the risk that Scancell may face opposition from other companies to patents that it seeks to have granted. The Company engages reputable legal advisers to mitigate the risk of patent infringement and to assist with the protection of Scancell's IP

COVID-19

As set out in the Chairman's Statement, the Group has already been impacted by the lock-down arising out of the COVID-19 pandemic. In the event that there is a further wave of the COVID-19 pandemic this could have an impact on patient recruitment for the clinical trials, slow down research projects and impact third parties' ability to manufacturer product, meaning delays in planned timelines. Whilst this would not have an immediate adverse impact on bank balances, it would impact upon project timelines which may result in further funding becoming difficult to secure.

Other

As set out in note 17, the risks and risk assessment regarding financial instruments are considered.

KEY PERFORMANCE INDICATORS

Due to the nature of the business the board considers both non-financial and financial KPIs.

These relate to reviewing, on a regular basis, the scientific and technical progress of the research and development programmes and protection of the intellectual property arising from them together with monitoring the progress being made with the Group's upcoming clinical trials which are discussed in the Chairman's statement from page 2.

The most important financial KPIs are reviewing the research, development and clinical trial expenditure against budget and its subsequent impact upon the Group's cash runway. Because of delays in setting up and running the SCIB1 002 clinical trial and delays in Modi-1 manufacturing the cost were below budget. These were partially offset by additional research costs and resulted in final bank balances at the year-end being ahead of budget. For the year to 30 April 2020 the budgeted expenditure was materially accurate (2019 budget deemed materially accurate).

By approval of the Board on 15 October 2020

John Chiplin
Chairman

Scancell Holdings plc
CORPORATE GOVERNANCE
for the year ended 30 April 2020

Principles of corporate governance

The Board recognise the value of good corporate governance not only in the areas of accountability and risk management but also as a positive contribution to delivering and protecting enhanced shareholder value. New regulations were introduced by AIM from 28 September 2018 and the Board has been following the corporate governance principles set out in the Corporate Governance Code published by the Quoted Companies Alliance (QCA). On our website (www.scancell.co.uk/corporate-governance) we set out how the Company and Group addresses the ten key governance principles defined in the QCA Code. It is my primary responsibility, as Chairman to lead the Board effectively and to oversee the adoption, delivery and communication of the Company's corporate governance model.

Board Composition

During the year ended 30 April 2020, Dr Matthew Frohn stepped down from the Board on 31 October 2019 and was replaced by Dr Ursula Ney who was appointed a Non- Executive Director on the same date. Mr Martin Diggle joined the Board as a Non-Executive director on 18th June 2019. The Senior Independent Director was Dr Alan Lewis who retired as a Non- executive Director on 24 September 2020. Since the year end, on 24 September 2020, Susan Clement Davies was appointed to the board as a Non-Executive Director.

The Board now comprises a Chairman, three Executive Directors and five Non-Executive Directors.

The Board meets regularly to consider strategy, performance, approval of major capital projects and the framework of internal controls. During the year ended 30 April 2020 there were seven scheduled board meetings with each member attending as follows:

Director	Number of meetings held whilst a board member	Number of meetings attended
Dr John Chiplin	7	7
Dr Cliff Holloway	7	7
Prof Lindy Durrant	7	7
Dr Sally Adams	7	7
Dr Richard Goodfellow	7	7
Mr Martin Diggle	6	6
Dr Ursula Ney	3	3
Dr Alan Lewis	7	4
Dr Matthew Frohn	4	4

The current members of the Board of directors are:

Dr John Chiplin (Chairman)
Dr John Chiplin has many years' international experience in listed life science companies where he has fulfilled the roles of Chief Executive Officer and Chairman. He is Managing Director of Newstar Ventures Ltd, an investment and advisory firm and contributes strong corporate finance skills to the Group. John is also Chairman of N4 Pharma PLC, an AIM listed company and serves on the board of the following Australian listed company, Regeneus Limited.

Dr Cliff Holloway (Chief Executive Officer)
Dr Cliff Holloway brings over 25 years of life science industry experience to Scancell in the development and commercialisation of emerging technologies and therapeutic products including licensing, M&A, corporate financing and operations management. Prior to joining Scancell, Cliff was Chief Business and Operating Officer for Benitec Biopharma, an Australian NASAQ listed company.

Professor Lindy Durrant (Chief Scientific Officer)
Professor Lindy Durrant is an internationally recognised immunologist in the field of tumour therapy. She has worked for over 20 years in translational research, developing products for clinical trials including monoclonal antibodies and cancer vaccines. She has a personal Chair in Cancer Immunotherapy in the Department of Clinical Oncology at the University of Nottingham.

Dr Sally Adams (Development Director)
Dr Sally Adams has worked on many complex projects over the past 25 years including anti-infective vaccines and cancer immunotherapies. She has previously held Development Director positions in life science companies and, prior to her appointment as Development Director at Scancell, she worked as a development consultant to Scancell providing guidance on the development of SCIB1.

Dr Richard Goodfellow (Non-Executive Director)
Dr Richard Goodfellow was CEO of Scancell until 31 December 2017. He has many years' experience with Scancell and in life sciences generally which he brings to the Board. As well as contributing to the Board, Richard provides business development advice and consulting services to Scancell.

Martin Diggle (Non-Executive Director)
Mr Martin Diggle is a founder, director and partner in Vulpes Investment Management and manages the Vulpes Life Sciences Fund. He has over 30 years' experience in investment banking and fund management and has been an investor in life sciences and biotech for nearly 20 years. His extensive experience of investment management in the life science sector will add a new and valuable insight to the Board of Directors. Martin's other directorships are Oxford Biomedica plc, Proteome Sciences plc and Chronos Therapeutics Limited.

Ursula Ney (Non-Executive Director, Chair of Remuneration Committee)
Dr Ney has over thirty years' experience in the pharmaceutical and biotechnology industry, including twenty years in senior leadership roles that also encompassed Executive and Non-Executive Board positions. She has broad experience of biologic and small molecule drug development across a range of therapeutic areas having been Director of Drug Development and on the Board of Celltech plc and later Chief Operating Officer and Executive Director of Antisoma plc. Most recently, she was Chief Executive Officer of Genkyotex SA. She was a on the board of Discuva Ltd and is currently a Non-Executive Director of Proteome Sciences plc and also a member of the Board of Governors of the University of Plymouth and a Director of University of Plymouth Enterprises Ltd.

Susan Clement Davies (Non-Executive Director, Chair of Audit Committee)
Susan is an experienced life sciences financier with over 25 years of capital markets and investment banking experience, including Managing Director of Equity Capital Markets at Citigroup Global Markets Limited and most recently until 2018, Managing Director at Torreya Partners LLC, a global investment banking firm serving companies in the Life Sciences industry. Her work at this time included providing advice on M&A, corporate finance, licensing transactions and pharmaceutical asset sales, with clients ranging from large pharmaceutical companies through to private equity firms focused on healthcare. Susan is currently Non-Executive Director and Chairman of the Audit Committee of Evgen Pharma plc, an AIM listed clinical stage drug development company.

The Board now consists of eight members, all of whom have extensive experience in the Life Science sector covering pre-clinical research and development in the field of oncology, clinical development, management of intellectual property, business development and finance.
The Non -Executive Directors are expected to spend such reasonable time required each month to fulfil their role and duties for the Company. This will include attendance at monthly Board meetings, the AGM, meetings with the other Non-Executive directors and meetings with shareholders.
Ursula Ney and Susan Clement-Davies are considered to be independent directors as they have recently been appointed to the Board and, apart from receipt of fees, have no financial interest in the Company.
With the mix of expertise on the Board, I believe that we are well placed to deliver our business strategy.

The Executive Directors meet on a weekly basis either face to face or by phone to discuss operational matters. To

enable the Board to discharge its duties, all Directors receive appropriate and timely information. Briefing papers are distributed to all Directors in advance of Board meetings. All Directors have access to the advice and services of the Company Secretary, who is responsible for ensuring that the Board procedures are followed, and that applicable rules and regulations are complied with. The appointment and removal of the Company Secretary is a matter for the Board as a whole. In addition, procedures are in place to enable the Directors to obtain independent professional advice in the furtherance of their duties, if necessary, at the Company's expense. Subject to the terms of the Executive Directors' service contracts, Directors are subject to retirement by rotation and re-election by the Shareholders at Annual General Meetings on a three-year cycle, as required by the Articles of Association and any Director appointed by the Board shall hold office only until the next Annual General Meeting and shall then be eligible for election.

The Scancell Board has the broad range of skills and capabilities required to direct the Group. These include sector-specific experience in the Business Development and Research and Development functions, as well as more general finance, accounting and business management skills. The Board is supported by the following committees:

Remuneration Committee
During the financial year ended 30 April 2020, the Remuneration Committee members were Matthew Frohn and Dr Alan Lewis, the Chairman of the Committee. Since the year-end, the Remuneration committee comprises Dr Ursula Ney, Chair of the Committee, Susan Clement Davies and Dr John Chiplin.

The Committee meets at least once a year and more frequently if required. The Committee is responsible for setting the remuneration policy of the Executive Directors, including terms of employment, salaries, any performance bonuses and share option awards. The Executive Directors also consult the Committee in relation to the remuneration of senior employees and staff share option schemes. The remuneration of the Non-Executive Directors is determined by the Board as a whole.

Nominations Committee
During the financial year ending 30 April 2020, the members of the Nomination Committee were Matthew Frohn who resigned on 29 October 2019 and Alan Lewis who was based in the USA. As it was difficult to arrange a meeting of the Committee with prospective Non-Executive candidates, candidate meetings were held with individual members of the Board prior to the whole Board of Directors approving the appointments.

The members of the Nominations Committee are Dr John Chiplin (Chair), Dr Ursula Ney and Susan Clement Davies.

The Nominations Committee meets as necessary and its responsibilities include the review of the structure, size and composition of the Board, together with skills, knowledge, experience and diversity, succession planning, review of leadership needs and identification, evaluation and nomination of candidates to fill Board vacancies.

Board Evaluation
During the year the Board recognized that there needed to be a wider set of skills within the Non-Executive Directors. Ursula Ney was appointed during the year to bring her broad development experience to the board room and since the year end Susan Clement Davies, an experienced life sciences financier, with over 25 years of capital markets and investment banking experience has been appointed to the Board. The Board has not carried out an evaluation of its own performance and effectiveness and that of individual directors during the year and a formal review process will be set up to address these matters.

Audit Committee
The Audit Committee is responsible for the relationship with the Group's external auditor, the review of the Group's financial reporting and the Group's internal controls.

During the year, the Audit Committee comprised of three Non-Executive Directors, Dr Matthew Frohn (Chair of the Committee), Dr John Chiplin and Dr Alan Lewis. Following Mathew Frohn's resignation as a Non-Executive Director on 31 October 2019, Dr John Chiplin was appointed Chair of the Committee until a new Non-Executive Director was

appointed. Since the year end Susan Clement Davies has been appointed as Chair of the Audit Committee and is joined by Dr Ursula Ney and Dr John Chiplin.

The Committee will normally meet at least twice per year and has primary responsibility for monitoring the quality of internal controls ensuring that the financial performance of the Company is properly measured and reported on and reviewing reports from the Company's auditors relating to the Company's accounting and internal controls, in all cases having due regard to the interests of Shareholders. The Audit Committee meets with the auditor at least once a year. The Audit Committee has undertaken an assessment of the auditor's independence, including:

- A review of non-audit services provided to the Group and related fees;
- Discussion with the auditor of a written report detailing all relationships with the Group and any other parties that could affect independence or the perception of independence;
- A review of the auditor's own procedures for ensuring the independence of the audit firm and partners and staff involved in the audit, including regular rotation of the audit partner; and
- Obtaining written confirmation from the auditor that, in their professional judgement, they are independent.

At the Company's Annual General Meeting in September 2019, BDO were appointed as Independent Auditors to the Company and their appointment for the financial year ending 30 April 2021 will be subject to approval by the Company's shareholders at the next Annual General Meeting to be held in 2020.

The Audit Committee is satisfied that the external auditor is independent in the discharge of their audit responsibilities.

Internal Control and Risk Management

The Directors are responsible for ensuring that the Group maintains a system of internal control to provide them with reasonable assurance regarding the reliability of financial information used within the business and for publication and that the assets are safeguarded, transactions are authorised and properly recorded and that material errors and irregularities are either prevented or would be detected on a timely basis.

There are inherent limitations in any system of internal control and accordingly even the most effective system can provide only reasonable, but not absolute, assurance with respect to the preparation of financial reporting and the safeguarding of assets.

The Group, in administering its business has put in place strict authorisation, approval and control levels within which senior management operates. These controls reflect the Group's organisational structure and business objectives. The control system includes clear lines of accountability and covers all areas of the organisation. The Board operates procedures which include an appropriate control environment through the definition of the organisation structure and authority levels and the identification of the major business risks.

The key element of the internal control systems in operation is the Board meeting regularly with a formal agenda to monitor all aspects of the business including monitoring the Group's financial performance against approved budgets and forecasts.

The major risks and uncertainties facing the Group together with actions to mitigate the risks are set out in the Strategy Report on pages 10 and 11 and are reviewed by the Board on a regular basis. Specific projects are monitored by project development teams and the Senior Management Team on a weekly basis.
There are no significant issues disclosed in the report and financial statements for the year ended 30 April 2020 and up to the date of approval of the report and financial statements that have required the Board to deal with any related material internal control issues.

Investor Relations

The Group's Board maintains ongoing communication with existing and potential investors. This is achieved by:

- talking to institutional and private investors through direct meetings;
- individual shareholders talking to Board members at the Annual General Meeting;
- financial PR consultants;
- the release of information through the Group's website;
- the Regulatory News Service of the London Stock Exchange.

Impact of new investment on the wider community

During the year the Group raised £3.8 million and since the year end, further funding of £15 million has been raised (£14.1m net) and a further £12.1m (gross proceeds). This new investment has increased the funds available to advance Scancell's product pipeline for the treatment of cancer and infectious disease. In particular, the investment will enable the Group to move its lead Moditope® platform asset, Modi-1, into the clinic and also complete the SCIB1 002 clinical trial for the treatment of melanoma. Successful clinical trial results will primarily benefit patients by providing treatments for what are currently hard to treat cancers.

Going concern

The Board of Directors determine the appropriate basis for preparing the consolidated financial statements and consider whether the Company and Group have sufficient financial resources to continue operating for at least a year from the date of approval of the financial statements.

The COVID-19 pandemic has caused disruption to working practices and has delayed clinical trials. The Directors do not consider that any further disruption caused by the pandemic would have an adverse impact upon the Company's cashflows as the impact of projects possibly being delayed would be mitigated by reduced expenditure being incurred.

Detailed cashflow projections are prepared and reviewed by the Board on a regular basis. Having considered the cash projections, the post year end fund raising of £14.1 million (net proceeds) and a further £12.1m (gross proceeds) and the working capital requirements of the Company and Group, including the timings of expenditure surrounding the manufacture of SCIB1, Modi-1, development work on a COVID-19 vaccine, the commencement of clinical trials and further work on the Monoclonal Antibody Platform, the Board has a reasonable expectation that sufficient resources are available to enable the Company and the Group to continue in operation for at least twelve months from the date of approval of these financial statements. The Group has already been impacted by the lock-down arising out of the COVID-19 pandemic. In the event that there is a further wave of the COVID-19 pandemic this could have an impact on patient recruitment for the clinical trials, slow down research projects and impact third parties ability to manufacturer product, meaning delays in planned time-lines. The Directors consider the COVID-19 impact to have a timing impact as the most significant risk and therefore do not consider there to be a significant risk that trials will stop indefinitely. This would not have an immediate adverse impact on bank balances as expenditure would be delayed. Despite the impact of COVID-19 the group have successfully secured further funding post year-end demonstrating the mitigated funding risk a second wave may have on funding opportunities in the future.

Following this review, the Board concluded that the financial statements should continue to be prepared using the going concern basis.

John Chiplin
Chairman 15 October 2020

Remuneration Committee

During the financial year ended 30 April 2020 the Remuneration Committee members were Dr Matthew Frohn and Dr Alan Lewis. The committee was chaired by Dr Alan Lewis and since 24 September 2020 is now chaired by Dr Ursula Ney.

The Committee meets at least once a year and more frequently if required. The Committee is responsible for setting the remuneration policy of the Executive Directors, including terms of employment, salaries, any performance bonuses and share option awards. The Executive Directors also consult the Committee in relation to the remuneration of senior employees and staff share option schemes. The remuneration of the Non-Executive Directors is determined by the Board as a whole.

Remuneration Policy

The key principles underlying all decisions by the Remuneration Committee include the following:

- The need to attract, retain and motivate outstanding executives who have the potential to support the growth of the Scancell and help the Company achieve its strategic objectives.
- The need to ensure that long term incentive plans ('LTIP') are aligned with the interests of shareholders.
- The need to take into account the competitive landscape in the UK biotechnology industry and current best practice in setting appropriate levels of compensation.

The Committee met on two occasions during the financial year. Subjects under discussion included a review of whether remuneration paid met the Company's objectives to reward and incentivise the Executive team. In addition to consulting our key shareholders, the remuneration committee consulted external consultants and considered pay structures in equivalent listed companies in the UK biotech industry.

Bonuses

The Company operates a bonus scheme for executive directors for delivery of exceptional performance against pre-set relevant corporate objectives. The executives are entitled to a maximum annual bonus of between 20% and 30% of salary. Annual bonus entitlements are based on the achievement of pre-set Group corporate, financial and personal performance targets. The Committee reviewed the set of objectives and determined that 50% of the objectives had been achieved and that bonuses of between 10% and 15% were payable.

Directors' Remuneration

The table below summarises all Directors' salaries, fees for consulting and pension contributions.

	2019/20			2018/19	
	Salary, and fees	Bonus	Pension	Salary, and fees	Pension
Dr J Chiplin	117,500	-	-	50,000	-
Dr R M Goodfellow	87,500	-	-	145,833	-
Dr C Holloway	250,000	37,500	2,944	250,000	-
Professor L G Durrant	175,000	26,250	-	175,000	-
Dr S E Adams	193,125	19,313	1,287	193,125	3,862
Dr M G W Frohn[1]	12,500	-	-	25,000	-
Ms. K Cornish-Bowden	-	-	-	6,667	-
Dr A Lewis	25,000		-	25,833	-
Mr M H Diggle[2]	-	-	-	-	-
Dr U Ney[3]	11,438			-	
	872,062	**83,063**	**4,231**	**871,458**	**3,862**

Notes:
1 Dr Matthew Frohn resigned as a Non-Executive Director on 31 October 2019
2 Mr. Martin Diggle was appointed a Non-Executive Director on 18 June 2019 and receives no remuneration.
3 Dr Ursula Ney was appointed a Non-Executive Director on 31 October 2019

Chief Executive Officer's remuneration

The total remuneration paid to the Chief Executive Officer, Dr Cliff Holloway is a multiple of 4.3 times (2019: 4.5 times) the average remuneration of an employee of the Group.

Directors' share options

The Remuneration Committee believes that the issue of options is a useful tool in motivating executives and ensuring their interests are aligned with those of our shareholders. All options are subject to time vesting schedules to ensure retention and stretching performance hurdles to ensure that rewards are consistent with delivery of strategic goals. Examples of performance hurdles include progress in clinical development programs, partnering and share price targets.

At 30 April 2020 the following Directors held options over the shares of the Company.

	Grant Price	*At 30/04/2020*	*At 30/04/2019*	*Issue Date*	*Date of expiry*
Dr J Chiplin	17.0p	3,000,000	3,000,000	18/04/2016	18/04/2026
	8.15p	1,000,000	-	30/04/2020	30/04/2030
Dr R M Goodfellow	4.5p	[1]2,880,000	2,880,000	14/07/2010	14/07/2020
	33.2p	3,500,000	3,500,000	11/12/2013	31/12/2023
	8.15p	1,000,000	-	30/04/2020	30/04/2030
Dr C Holloway	10.5p	3,000,000	3,000,000	31/01/2018	31/01/2028
	8.15p	1,000,000	-	30/04/2020	30/04/2030
Prof L G Durrant	4.5p	[1]3,850,000	3,850,000	14/07/2010	14/07/2020
	10.5p	9,000,000	9,000,000	31/01/2018	31/01/2028
	8.15p	1,000,000	-	30/04/2020	30/04/2030
Dr S E Adams	10.5p	2,500,000	2,500,000	31/01/2018	30/01/2028
	8.15p	1,000,000	-	30/04/2020	30/04/2030

[1]These share options awarded to Professor Lindy Durrant and Dr Richard Goodfellow expired on 14 July 2020. New options were granted on 30 July 2020 over 3,850,000 and 2,880,000 respectively at a grant price of 4.5p with an expiry date of 30 July 2023.

Ursula Ney
Chair of Remuneration Committee 15 October 2020

Scancell Holdings plc
AUDIT COMMITTEE REPORT
for the year ended 30 April 2020

The Audit Committee is responsible for the relationship with the Group's external auditor, the review of the Group's financial reporting and the Group's internal controls.

During the year, the Audit Committee comprised of three Non-Executive Directors, Dr Matthew Frohn (Chair of the Committee), Dr John Chiplin and Dr Alan Lewis. Following Mathew Frohn's resignation as a Non-Executive Director on 31 October 2019, Dr John Chiplin was appointed Chair of the Committee until a new Non-Executive Director was appointed. Since the year end Susan Clement Davies has been appointed as Chair of the Audit Committee and is joined by Dr Ursula Ney and Dr John Chiplin.

The responsibilities of the Committee include the following:

- Monitoring the integrity of the financial statements of the Group
- Reviewing the accounting policies, accounting treatments and disclosures in the financial statements
- Reviewing the Group's internal financial controls and risk management systems
- Overseeing the Group's relationship with external auditors, including making recommendations to the Board as to the appointment or re-appointment of the external auditors, reviewing their terms of engagement, and monitoring the external auditors' independence, objectivity and effectiveness.

The Audit Committee met three times during the year with time allowed for discussion without any members of the executive team being present, to allow the external auditor to raise any issues of concern. Audit Committee meetings may be attended, by invitation, by other Directors and by the Group's auditors.

The Committee has responsibility for, amongst other things, planning and reviewing the Annual Report and Accounts and Interim Statements involving, where appropriate, the external auditors. The Committee also approves external auditors' fees and ensures the auditors' independence as well as focusing on compliance with legal requirements and accounting standards. It is also responsible for ensuring that an effective system of internal control is maintained. The ultimate responsibility for reviewing and approving the annual financial statements and interim statements remains with the Board.

During the year ended 30 April 2020, the Audit Committee met three times. The Committee reviewed and approved the financial statements for the year ended 30 April 2019, the interim results for the six months to 31 October 2019 and the external auditor's plan for the 2020 external audit.

The Audit Committee has satisfied itself that the external auditor is independent. The Audit Committee has concluded that the external audit process was effective, that the scope of the audit was appropriate and that any significant judgements have been robustly challenged. No significant issues have been reported by the auditor for the accounts for the year ended 30 April 2020.

Susan Clement Davies
Chair of Audit Committee 15 October 2020

The Directors submit their report and financial statements of Scancell Holdings plc for the year ended 30 April 2020. Scancell Holdings plc is registered in England and Wales and is quoted on the AIM market.

RESULTS AND DIVIDENDS

The Group's results for the year ended 30 April 20202 are shown in the Consolidated Profit or Loss and other comprehensive income statement on page 29. No dividends will be distributed for the year.

FUTURE DEVELOPMENT AND RESEARCH AND DEVELOPMENTS

A detailed review is included in the Chairman's statement from page 2.

DIRECTORS AND THEIR INTERESTS

The members of the Board, who have served during the financial year are detailed below. Their interests in the shares of the Group at 30 April 2020 and 2019 are set out below

	30 April 2020		30 April 2019	
	Owned	Jointly owned[1]	Owned	Jointly owned[1]
Dr S E Adams	61,918	Nil	58,823	Nil
Dr J Chiplin	2,000,000	Nil	2,000,000	Nil
Prof L G Durrant	1,665,783	8,773,960	1,665,783	8,773,960
Dr R M Goodfellow	258,823	6,343,840	258,823	6,343,840
Dr C Holloway	Nil	Nil	Nil	Nil
Dr M G W Frohn (resigned 31 October 2019	58,823	Nil	58,823	Nil
Mr M H Diggle[2] (appointed 18 June 2019)				
Dr A Lewis (resigned 24 September 2020)	Nil	Nil	Nil	Nil
Dr U Ney	Nil	Nil	Nil	Nil
(appointed 31 October 2019)	Nil	Nil	Nil	Nil

[1] These shares are jointly owned with the Trustees of the Scancell Employee Benefit Trust which was established in July 2007.

[2] Martin Diggle is a partner in the Vulpes Life Science Fund which at 30 April 2020 owned 17.31% of the shares in the group.

In addition, the Directors have been granted share options in Scancell Holdings plc as outlined in the Directors' Remuneration report. Further details of all options outstanding, including those issued to employees, and fair value calculations can be found in note 14 to the Accounts.

SUBSTANTIAL SHAREHOLDINGS

The Directors have been notified, or are aware of, the following interests in 3% or more of the ordinary share capital of the Company (excluding Directors) at 14th October 2020:

	Ordinary shares at 0.1p each	
	Number	Percentage
Redmile Group LLC	183,980,026	25.48%
Vulpes Life Science Fund	96,666,129	13.38%
Calculus Capital	49,844,165	6.90%

STRUCTURE OF THE COMPANY'S CAPITAL

The Company's share capital is traded on the AIM market and comprises a single class of ordinary shares of 0.1 pence, each carrying one voting right and all ranking equally with each other. During the year Vulpes Life Science Fund subscribed for 77,559,311 ordinary shares at 5p each so that at 30 April 2020 465,355,867 shares were allotted and fully paid. On 12 August 2020 the Company raised £5m by a subscription for ordinary shares from The Redmile Group LLC, a Placing of £2m and an Open Offer of £2m at a price of 5.5p per share. The Redmile Group subscribed for an additional 93,071,170 ordinary shares at a price of 13p per share and raising £12.1 million (gross proceeds). The total issued share capital at 14th October 2020 is 722,198,262 ordinary shares.

Details of employee share option schemes are set out in Note 14 to the financial statements. Participants in employee share schemes have no voting or other rights in respect of the shares subject to their awards until the options are exercised, at which time the shares rank *pari passu* in all respects with shares already in issue.

DIRECTORS' INDEMNITY

The Directors and officers of the Company are insured against any claims arising against them for any wrongful act in their capacity as a Director, officer or employee of the Company, subject to the terms and conditions of the policy.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication
The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
The Directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the auditors are unaware. Each of the Directors have confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

SUBSEQUENT EVENTS
Following the approval of shareholders at a General Meeting of the Company held on 12 August 2020, the Company issued 163,771,225 ordinary shares of 0.01p at 5.5p each by way of a Placing (36,363,636 shares), Subscription (90,909,090 shares) and Open Offer to shareholders (36,498,499) raising £8m net proceeds. In addition, the company issued £6m of Convertible Loan Notes ('CLNs) which are exercisable at 6.2p per share and if not converted by 12 August 2022 the £6m is repayable by the Company on that date. The CLN's are interest free.

In addition to this funding, in August 2020 the Company announced that it had been awarded a grant of £2 million by Innovate UK to initiate a Phase 1 Clinical Trial for the development of a vaccine for COVID-19.

A further announcement was made on 12 October 2020 that Redmile Group plc had subscribed for an additional 93,071,170 ordinary shares at a price of 13p per share and raising £12.1 million (gross proceeds).

AUDITORS

The auditors, BDO LLP, will be proposed for re-appointment as independent auditors at the forthcoming Annual General Meeting of the Company.

By approval of the Board on 15 October 2020

John Chiplin
Chairman

Independent auditor's report to the members of Scancell Holdings plc

Opinion

We have audited the financial statements of Scancell Holdings Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 April 2020 which comprise the consolidated profit or loss and other comprehensive income statement, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated cash flow statement and the notes to the consolidated financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 April 2020 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union ;
- the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the Parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Research and development: agreement accounting

Collaboration, licensing and other partnering agreements can have accounting complexity in terms of the nature of services, licenses or other arrangements provided, and the related consideration paid. The Group is not yet revenue generating, however has entered into numerous agreements in the current and prior years which give rise to various financial obligations. These obligations could impact any area of the financial statements however has been determined most likely to give rise to potential undisclosed liabilities or potential revenue to be recognised.

A significant portion of research and development expenditure arises through the subsidiary company outsourcing research to third parties. At the year end management are required to calculate the associated accruals and prepayments based on the progress of the research contracts versus the amounts billed to date. Those accruals and prepayments are disclosed in notes 11 and 12 to the financial statements.

Due to the nature of clinical trials, drug manufacturing processes and general research it is often difficult to estimate the length of time a particular trial or research process is going to take. As a result it can be difficult for the entity to measure what costs have been incurred in relation to outsourced research manufacturing at a particular point in time and as such, based on billings received, whether project accruals and prepayments recorded are reasonably estimated. Our audit risk is focused on whether the relevant expenditure has been appropriately included in the income statement and whether prepayments and accruals are appropriately calculated and recognised. The initial risk also considered whether any contracts existed which would give rise to current IFRS 15 revenue disclosures. As such, agreement accounting as a whole is considered a key audit matter as it impacts multiple disclosure and balances within the financial statements.

How We Addressed the Key Audit Matter in the Audit

We have reviewed the key terms of all material ongoing third party research agreements, including the review of any contracted costs within the agreements. We reviewed a sample of invoices and their content to determine the correct accounting treatment and concluded if the expenditure was appropriately classified within the financial statements. Where relevant, we have obtained third party confirmation of stages of completion of a project and compared the progress against both the contract and the value of expenditure billed to date. We then verified the year end cost position to determine if a prepayment or accrual needed to be recognised. We also reviewed the agreements for any clauses or terms which may indicate that a collaboration, licensing or other partnering agreement involved potential revenue to the Group, if a drug or vaccine is approved and marketed. In our review we considered the wider implications on the financial statements, including the potential requirement to disclose future contracted commitments or the possibility that a contract may contain a lease.

For a selected sample of project costs relating to research and development expenditure we obtained the underlying contracts and verified the basis of which management had recognised costs, assessing the assumptions used and recalculating those costs when required. We obtained management's calculation of the accrual or prepayment and verified the mathematical formulae.

We verified the completeness of management's calculation of the accruals and prepayments position by conducting high level analytical review on each financial statement area. We tested a sample of invoices received both during the year and after the year end to assess whether they should have been expensed, recognised as a prepayment, recognised as an accrual or if the invoice was correct not to recognise in the financial year. The invoice details were reviewed and where relevant were traced to invoicing schedules per the contracts.

By reviewing the contract content to relevant invoices and the invoices to relevant contract content we were able to address the completeness, existence and accuracy of the related costs.

Key observations

Based on our work, we noted no significant issues on the accuracy of revenue recognition, project costs relating to research and development expenses accruals and prepayments recorded for the year.

Our application of materiality

We apply the concept of materiality both in planning and throughout the performance of our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements. In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed.

Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Group materiality: £330,000 (2019: 210,000).

Group performance materiality: £230,000 (2019: £130,000).

Our group materiality was based upon 5% of the loss before tax for the year (2019: 3%). We consider losses before tax to be one of the principal considerations for members of the group in assessing the financial performance of the group.

Group performance materiality was set at 70% of the above materiality levels. In setting the level of performance materiality we considered a number of factors including the expected total value of known and likely misstatements based on past experience and other factors.

We agreed with the audit committee that we would report to all individual audit differences identified during the course of our audit in excess of £13,000 (2019: £8,000). This is our clearly trivial threshold. We also agreed to report differences below these thresholds that, in our view, warranted reporting on qualitative grounds.

Component materiality

The audit of Scancell Limited was performed to a materiality calculated on the same basis as that of the group, while materiality for Scancell Holdings plc, as the parent company, was total asset based using a basis of 1% which was capped at 90% of group materiality.

Scancell Limited component materiality: £300,000 (2019: £190,000)

Scancell Holdings plc company component materiality: £300,000 (2019: £190,000)

Performance materiality was set at 70% of the above materiality levels. In setting the level of performance materiality we considered a number of factors including the expected total value of known and likely misstatements based on past experience and other factors. Where financial information from the two components was audited separately, component materiality levels were set for this purpose at a lower level to the group of £210,000 (2019: £120,000).

An overview of the scope of our audit

Our audit approach is risk based. We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

The group's accounting process is structured around a local finance function based solely in Oxford, UK.

For each reporting unit we determined whether we required an audit of their complete financial information ("full scope") or whether specified procedures addressing specific risk characteristics or particular financial statement line items would be sufficient.

It was assessed that both Scancell Holdings Plc and Scancell Limited required a full scope audit by BDO LLP.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ian Oliver (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Reading
UK

15 October 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Scancell Holdings plc

CONSOLIDATED PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME STATEMENT
for the year ended 30 April 2020

	Notes	2020 £'000	2019 £'000
Development expenses		(4,667)	(4,152)
Administrative expenses		(2,115)	(2,577)
OPERATING LOSS	3	(6,782)	(6,729)
Interest receivable and similar income		14	15
LOSS BEFORE TAXATION		(6,768)	(6,714)
Taxation	5	1,262	1,087
LOSS FOR THE YEAR AND TOTAL COMPREHENSIVE LOSS		(5,506)	(5,627)
LOSS PER ORDINARY SHARE (pence)	4		
Continuing			
Basic		(1.21p)	(1.45p)
Diluted		(1.21p)	(1.45p)

The notes on pages 33 to 53 form part of these financial statements

Scancell Holdings plc (Company Number: 06564638)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 April 2020

		2020 £'000	2019 £'000
ASSETS			
Non-current assets			
Tangible fixed assets	8	63	58
Right-of-use assets	9	132	-
Goodwill	10	3,415	3,415
		3,610	3,473
Current assets			
Trade and other receivables	11	371	678
Taxation receivable	5	1,262	1,831
Cash and cash equivalents		3,575	4,560
		5,208	7,069
TOTAL ASSETS		8,818	10,542
LIABILITIES			
Non-current liabilities			
Lease Liabilities	9	(79)	-
		(79)	-
Current liabilities			
Trade and other payables	12	(1,041)	(1,205)
Lease Liabilities	9	(50)	-
		(1,091)	(1,205)
TOTAL LIABILITIES		(1,170)	(1,205)
NET ASSETS		7,648	9,337
SHAREHOLDERS' EQUITY			
Called up share capital	13	465	388
Share premium		38,388	34,638
Share option reserve		372	382
Profit and loss account		(31,577)	(26,071)
TOTAL SHAREHOLDERS' EQUITY		7,648	9,337

These financial statements were approved by the Directors and authorised for issue on 15 October 2020 and are signed on their behalf by:

John Chiplin
Director

The notes on pages 33 to 53 form part of these financial statements

Scancell Holdings plc

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 April 2020

	Share Capital	Share Premium	Share Option	Retained Earnings	Total
	£'000	£'000	£'000	£'000	£'000
Balance 1st May 2018	375	33,374	636	(20,444)	13,941
Share issue	10	1,207			1,217
Expenses of issue		(83)			(83)
Exercise of share options	3	140			143
Loss for the year and other comprehensive income				(5,627)	(5,627)
Share option charge			(254)		(254)
Balance 30 April 2019	388	34,638	382	(26,071)	9,337
Share issue	77	3,800			3,877
Expenses of issue		(50)			(50)
Loss for the year and other comprehensive income				(5,506)	(5,506)
Share option charge			(10)		(10)
Balance 30 April 2020	465	38,388	372	(31,577)	7,648

The notes on pages 33 to 53 form part of these financial statements

Scancell Holdings plc

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 30 April 2020

	2020 £'000	2019 £'000
Cash flows from operating activities		
(Loss) before tax	(6,768)	(6,714)
Adjustments for:		
Finance income	(14)	(15)
Lease interest paid	3	-
Depreciation	22	21
Amortisation of right-of-use asset	21	-
Share-based payment credit	(10)	(254)
Cash flows from operations before changes in working capital	**(6,746)**	**(6,962)**
Decrease/(Increase) in other receivables	307	(580)
(Decrease)/Increase in accounts and other payables	(164)	509
Cash used in operations	**(6,603)**	**(7,033)**
Tax credits received	1,831	-
Net cash used in operating activities	**(4,772)**	**(7,033)**
Investing activities		
Purchase of tangible fixed assets	(27)	(3)
Finance income	14	15
Net cash (used in) generated from investing activities	**(13)**	**12**
Financing activities		
Proceeds from issue of share capital	3,877	1,217
Expenses of share issue	(50)	(83)
Lease payments	(27)	-
Exercise of share options	-	143
Net cash generated from financing activities	**3,800**	**1,277**
Net (decrease)/increase in cash and cash equivalents	**(985)**	**(5,743)**
Cash and cash equivalents at beginning of the year	**4,560**	**10,303**
Cash and cash equivalents at end of the year	**3,575**	**4,560**

The notes on pages 33 to 53 form part of these financial statements

1 ACCOUNTING POLICIES

Statutory Information

Scancell Holdings plc is a public company, limited by shares, registered and domiciled and incorporated in England and Wales. The address of its registered trading office is John Eccles House, Robert Robinson Avenue, Oxford Science Park, Oxford, OX4 4GP.

Basis of Preparation and going concern assessment

These financial statements were approved by the Board of Directors on 15 October 2020.

The Board of Directors determine the appropriate basis for preparing the consolidated financial statements and consider whether the Company and Group have sufficient financial resources to continue operating for at least a year from the date of approval of the financial statements.

The COVID-19 pandemic has caused disruption to working practices and has delayed clinical trials. The Directors do not consider that any further disruption caused by the pandemic would have an adverse impact upon the Company's cash flows as the impact of projects possibly being delayed would be mitigated by reduced expenditure being incurred.

Detailed cash flow projections are prepared and reviewed by the Board on a regular basis. Having considered the cash projections, the post year end fund raising of £14.1 million (net proceeds) and a further £12.1m (gross proceeds) and the working capital requirements of the Company and Group, including the timings of expenditure surrounding the manufacture of SCIB1, Modi-1, development work on a COVID-19 vaccine, the commencement of clinical trials and further work on the Monoclonal Antibody Platform, the Board has a reasonable expectation that sufficient resources are available to enable the Company and the Group to continue in operation for at least twelve months from the date of approval of these financial statements. The Group has already been impacted by the lock-down arising out of the COVID-19 pandemic. In the event that there is a further wave of the COVID-19 pandemic this could have an impact on patient recruitment for the clinical trials, slow down research projects and impact third parties ability to manufacturer product, meaning delays in planned time-lines. The Directors consider the COVID-19 impact to have a timing impact as the most significant risk and therefore do not consider there to be a significant risk that trials will stop indefinitely. This would not have an immediate adverse impact on bank balances as expenditure would be delayed. Despite the impact of COVID-19 the group have successfully secured further funding post year-end demonstrating the mitigated funding risk a second wave may have on funding opportunities in the future.

Following this review, the Board concluded that the financial statements should continue to be prepared using the going concern basis.

These financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS'), as adopted by the European Union, and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policies below.

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of IFRS16.

As permitted by Section 408(3) of the Companies Act 2006, the Income Statement of the parent Company is not presented with these Financial Statements. The loss and other comprehensive loss of the parent Company is shown in the statement of changes in equity.

New standards and interpretation
At the date of authorisation of these financial statements a number of new Standards and Interpretations have been issued but are not yet effective and have not been applied in these financial statements.

The Directors do not believe that the adoption of these Standards and Interpretations would have a material impact on the financial statements of the Group. The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Group when the relevant standards and interpretations come into effect.

New standards and interpretations

IFRS 16
The Group has adopted IFRS 16 Leases with effect from 1 May 2019 and the accounting policy is detailed in note 8. This has resulted in the Group's lease with the University of Nottingham being brought onto the statement of financial position, as both a right-of-use asset and a lease liability. The right-of-use asset and lease liability are both based on the present value of lease payments due over the term of the lease, with the asset being amortised and the liability increased for the accretion of interest and reduced by lease payments.

BUSINESS COMBINATIONS
The financial statements consolidate the results the financial statements of the Company and its subsidiary, Scancell Limited. Unrealised gains on transactions between the Company and its subsidiary are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group since date of transition. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Any costs related to the acquisition are expensed in the period in which they are incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of the acquisition over the fair value of assets and liabilities is recorded as goodwill. If the cost of the acquisition is less than the fair value of the net assets of the subsidiary acquired the difference is recognised directly in the consolidated profit or loss and other comprehensive income statement.

Subsidiary:
Scancell Limited is controlled by Scancell Holdings plc. An investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of the subsidiary are included in the consolidated financial statements.

Acquisitions:
On acquisition, the assets and liabilities of a subsidiary, including identifiable intangible assets, are measured at their fair value at the date of acquisition. Any excess of the cost of acquisition over the fair value of the identifiable net assets acquired is recorded as goodwill. Goodwill is reviewed for impairment annually and any impairment is recognised immediately in the consolidated profit or loss and other comprehensive income statement. Impairment is determined by comparing the recoverable amount of goodwill with its carrying value. For goodwill, the carrying value is compared to the market capitalisation of Scancell Holdings plc, as quoted on AIM at the year end. The recoverable amount is the greater of an asset's value in use or its fair value less costs to sell. Where the recoverable amount is less than the carrying value, the asset is considered impaired and is written down through the consolidated profit or loss and other comprehensive income statement to its recoverable amount.

The results and cash flows relating to the business are included in the consolidated accounts from the date of combination.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS
At each balance sheet date, the Group reviews the carrying amounts of Goodwill. For all tangible assets, the group on an annual basis determines whether there is any indication that those assets have suffered an

impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). An impairment loss is immediately recognised as an expense, in the consolidated profit or loss and other comprehensive income statement. The recoverable amount is the greater of an asset's value in use or its fair value less costs to sell. Where the recoverable amount is less than the carrying value, the asset is considered impaired and is written down through the consolidated profit or loss and other comprehensive income statement to its recoverable amount less costs to sell.

EXPENDITURE
All expenditure is accounted for on an accruals basis and is classified under headings that aggregate all costs related to the category of expenditure.

TANGIBLE FIXED ASSETS
Tangible fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Plant and machinery	- 25% on reducing balance
Computer Equipment	- 33% on reducing balance

Amortisation is provided on the right-of-use asset over the period of the lease to which it relates.

TAXATION
Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all temporary differences identified at the balance sheet date, except to the extent that the deferred tax arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting profit nor taxable profit. Temporary differences are differences between the carrying amount of the Group's assets and liabilities and their tax base.

Deferred tax liabilities may be offset against deferred tax assets within the same taxable entity. Any remaining deferred tax asset is recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxation profits, within the same jurisdiction, in the foreseeable future against which the deductible temporary differences can be utilised.

INVESTMENTS
Investments in subsidiaries are stated at cost less any provisions for impairment. An impairment is recognised when the recoverable amount of the investment is less than the carrying amount.

Investments are presented in Scancell Holdings plc company figures, not in the consolidated financial statements.

RESEARCH AND DEVELOPMENT
Expenditure on research and development is written off in the year in which it is incurred.

An internally generated asset arising from the Group's development activities is only recognised if all of the following criteria are met:
- technical feasibility of completing the intangible asset so that it will be available for sale
- intention to complete the intangible asset and use or sell it
- ability to use or sell the intangible asset
- the intangible asset will generate future economic benefit
- resources are available both technically and financially in order to complete the development.

In the case of development projects undertaken by the Group, regulatory and other uncertainties generally mean that such criteria are not met. Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

HIRE PURCHASE AND LEASING COMMITMENTS

Prior to 1 May 2019, rentals paid under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

IFRS 16 has been considered for the first time to the year to 30 April 2020 and has been implemented on a lease by lease basis.

FOREIGN CURRENCIES

Foreign currency assets and liabilities are converted to sterling at the rates of exchange ruling at the end of the financial year. Transactions in foreign currencies are converted to sterling at the rates of exchange ruling at the transaction date. All of the resulting exchange differences are recognised in the profit and loss account as they arise.

CASH AND CASH EQUIVALENTS

Cash includes cash-in-hand and deposits held at call with banks.

CREDITORS

Creditors are recognised when the Company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount to be settled can be reliably measured or estimated.

INTER-COMPANY LOAN

The inter-company loan from Scancell Holdings plc to its subsidiary, Scancell Limited, is recorded at cost, is interest free and has no repayment terms.

Annually the intercompany loan is assessed for impairment in line with IFRS 9. The expected credit loss model is used to determine the present value of the intercompany receivable. The 12 month model has been used to determine the expected credit loss.

This loan is eliminated in preparing the consolidated financial statements.

EQUITY

Equity comprises the following:

- Share capital represents the nominal value of equity shares.
- Share premium represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- Retained earnings include all current and prior period results as disclosed in the consolidated profit or loss and other comprehensive income statement.
- Share-based payment reserve is the corresponding entry to the expense arising from equity-settled share-based payments.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets

The Group has no revenues and its financial assets, measured at amortised cost comprise other receivables, other financial assets and cash and cash equivalents in the consolidated statement of financial position. Other financial assets comprise short-term deposits not meeting the IAS7 definition of cash equivalent. Cash and cash equivalents include cash in hand, deposits held at call with banks.

Financial liabilities
All financial liabilities are measured initially at fair value and subsequently carried at amortised cost using the effective interest rate method. Financial liabilities include trade and other payables.

SHARE BASED PAYMENTS
In accordance with IFRS2 – 'Share based payments', a charge is made for all share –based payments including share options based upon the fair value of the instrument issued.

Under IFRS 2 the charge in the Profit or Loss and Other Comprehensive Income Statement for granted share options is based upon the fair value of the options at grant date and is charged over the expected vesting period. Estimates of leaver rates are taken into account over the vesting period. A charge has been recognised for all awards granted and is charged to the same expense category as the remuneration costs for the employee to whom the share award has been made. An equivalent amount is credited to the share option reserve in the balance sheet, with no resulting impact on net assets. The share options have been granted to Directors and employees in the subsidiary Company, Scancell Limited. Within Scancell Holdings plc, the parent Company, a credit has been made to the share option reserve whilst the debit is treated as an increase in the investment value of the subsidiary Company.

EMPLOYEE BENEFITS
The costs of short-term employee benefits are recognised as an expense when the services have been rendered by the employee, any costs not paid to the employee after year end are recognised as a liability. The cost of any unused holiday entitlement is accrued at the balance sheet date, if the employee has unused holiday entitlement.

RETIREMENT BENEFITS
For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Key sources of estimation and uncertainty
The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies. The notes to the financial statements set out areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the financial statements such as intangible assets. Although these estimates are based upon management's best knowledge of the amount, event or actions, actual results may ultimately differ from those estimates. In the process of applying the Group's accounting policies, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements:

Parent company loan valuation
Judgement is required by the Directors to assess the carrying value of the Company's loan to their subsidiary.

Under IFRS9, the Board used a risk adjusted NPV model to considering the whether an impairment is required for the intercompany loan.

Concerning the carrying value of the intercompany loan, the Board have firstly obtained an external valuation of the discounted cash flows of a number of drugs currently in development, using a risk adjusted NPV model. This model used external data analysis to assess key inputs to the model including; peak revenue projections and the assumptions to arrive at these figures; likelihood of success; anticipated royalties; associated research and development expenditure; the market penetration assumptions amongst other assumptions. This model was subject to significant assumptions, which the Board have reviewed and consider appropriate. Under IFRS9, the Board have then used the expected credit loss model to assess a range of scenarios regarding the subsidiaries ability to repay the intercompany loan. These assumptions included assessing the revised risk adjusted NPV if royalties received fell, if revenue fell, if costs increased and if the likelihood of success fell. The Board concluded that the risk adjusted NPV valuation provided the most likely scenario and amongst other outcomes assessed a complete risk of failure as remote. Under the expected credit loss model,

the Board concluded that no impairment charge is required. In the current year the Scancell Holdings Company made a capital contribution to Scancell Limited and as at 30 April 2020 the intercompany receivable fell to £208k (2019: £26.9m). The key estimates and assumptions assessed in 2020 were deemed by management to have an immaterial impact on the recoverability of the asset.

Share-based payments
In calculating the fair value of equity-settled share-based payments using the Black-Scholes option pricing model, the Directors are required to exercise their judgement in determining input parameters which may have a material effect on the fair value calculated. Judgement is also required in determining the fair value of share options with a hurdle price embedded into them.

Note 15 outlines the key judgements used in determining the fair value of the options granted in the year.

These judgements may have a material effect on the fair value calculated.

Agreement accounting
The group have entered into many different supplier contracts regarding research and development. These agreements often contain up-front payments and milestone payments. The agreements span a wide period and therefore management and the board must continuously monitor the ongoing status of research and development projects performed by suppliers to ensure that the correct costs are reflected accurately in the financial statements. Often the stage of progress of a project is difficult to determine and therefore relies upon key judgement.

The majority of research and development expenditure is formed as a result of entering into a contract. The areas of the financial statements impacted by the agreements include prepayments, accruals, commitments disclosures, research and development expenditure and the research and development tax claim.

2 SEGMENT REPORTING

The Directors consider that the Group operated within a single business segment.

3 OPERATING LOSS

	2020 £'000	2019 £'000
Operating Loss is stated after charging:		
Depreciation on tangible fixed assets	22	21
Amortisation of right-of-use asset	21	-
Short-term leases out of IFRS 16 scope	123	96
Research and development	4,667	4,152
Auditors' remuneration – fee payable for audit of the company	20	16
Auditors' remuneration – fee payable for audit of the subsidiary company	20	16
Directors' remuneration	745	631

4. LOSS PER SHARE

Basic loss per share

The earnings and weighted average number of ordinary shares used in the calculation of basic loss per share is as follows:

	2020 £'000	2019 £'000
Loss used in calculation of basic loss per share	(5,506)	(5,628)
	Number	Number
Weighted average number of ordinary shares of 0.1p each for the calculation of basic loss per share	456,218,743.	386,965,910

Diluted loss per share

As the Group is reporting a loss from continuing operations for both years then, consequentially, the share options are not considered dilutive because the exercise of the share options would have the effect of reducing the loss per share.

The Company issued 77,559,311 shares on 13 June 2019. At the year end the issued share capital amounted to 485,355,867 ordinary shares.

5 TAXATION

Analysis of the tax credit

The tax credit on the loss on ordinary activities for the year was as follows:

Current tax	2020 £'000	2019 £'000
UK corporation tax credits due on R&D expenditure	1,262	1,083
Adjustment to prior year	-	4
	1,262	1,087

Factors affecting the tax credit

The tax assessed for the years is lower than the applicable rate of corporation tax in the UK. The difference is explained below:

	2020 £'000	2019 £'000
Loss on ordinary activities before tax	(6,768)	(6,714)
Loss on ordinary activities multiplied by the small company rate of tax in the UK (19 %)	(1,286)	(1,276)
Effects of:		
Disallowed expenditure	27	8
Other differences	(2)	(5)
Enhanced tax relief on R&D expenditure	(947)	(802)
Reduced tax relief for losses surrendered for R&D tax credits	420	336
Prior year (under)/ over provision	-	(4)
Unrelieved losses carried forward	526	657
Current tax (credit)	(1,262)	(1,087)

The Group has tax losses to carry forward against future profits of approximately £21.72 million (2019: £18.96 million).

A deferred tax asset has not been recognised in respect of these losses as the Group does not anticipate sufficient taxable profits to arise in the foreseeable future to fully utilise them.
The estimated value of the deferred tax asset not recognised measured at the prevailing rate of tax when the timing differences are expected to reverse is £4.12 million (2019: £3.20 million).

Taxation receivable is £1,210,793 (2019: £1,831,061).

6 STAFF COSTS

	2020	2019
	£'000	£'000
Directors' salaries	745	631
Wages and salaries	995	829
Social security costs	200	169
Pension costs	25	19
	1,965	1,648

A credit for share based payments totalling £10,367 (2019: £254,007 credit) was made in the year. This has arisen as a result of the lapsing of share options during the year.

	2020	2019
	No.	No.
The average monthly number of persons during the year was:		
Research employees	19	19
Other employees	3	3
	22	22

7 REMUNERATION OF KEY MANAGEMENT PERSONNEL

Key management are defined as the statutory Directors of the group. Remuneration of key management personnel for the year is:

Professor L Durrant received salary of £201,250 (2019: £136,250); Dr RM Goodfellow received salary of £20,000 (2019: £20,000); Dr C Holloway received a salary of £287,500 (2019: £250,000); Dr S E Adams received a salary of £212,438 (2019: £193,125); Dr U Ney received a salary of £11,438 (2019: £nil); Dr M Frohn received a salary of £12,500 (2019: £25,000); and Miss K Cornish-Bowden received a salary of £nil (2019: £6,667). Details of consulting services provided by these directors are disclosed in note 16.

During the year the Company made pension contributions of £2,944 on behalf of Dr Cliff Holloway and £1,287 on behalf of Dr Sally Adams.

8 TANGIBLE FIXED ASSETS

current year	Computer Equipment £'000	Plant and machinery £'000	Total £'000
COST			
As at 1 May 2019	44	516	560
Additions	7	20	27
As at 30 April 2020	51	536	587
DEPRECIATION			
As at 1 May 2019	34	468	502
Charge for the year	5	17	22
As at 30 April 2020	39	485	524
NET BOOK VALUE			
At 30 April 2020	12	51	63
At 1 May 2019	10	48	58

prior year	Computer Equipment £'000	Plant and machinery £'000	Total £'000
COST			
As at 1 May 2018	42	516	558
Additions	2	-	2
As at 30 April 2019	44	516	560
DEPRECIATION			
As at 1 May 2018	29	451	481
Charge for the year	5	16	21
As at 30 April 2019	34	467	502
NET BOOK VALUE			
At 30 April 2019	10	48	58
At 1 May 2018	12	65	77

9. LEASES

From 1 May 2019 all leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

The Group has one lease with its landlord, the University of Nottingham, which provides the Company with laboratory and office space. At 1 May 2019 the existing lease (the 'Existing Lease') had eight months to run and therefore was covered by one of the exclusions noted above. A new three-year lease (the 'New Lease') was entered into with effect from 25 November 2019.

IFRS 16 was adopted on 1 May 2019 using the modified retrospective method without restatement of

comparative figures. The New Lease has been accounted for by recognising a right-of-use asset and a lease liability. The lease liability has been measured at the present value of the contractual payments due to the lessor over the lease term using a discount rate of 5%, which is an estimate of the discount rate applicable to a property lease. The right-of-use asset has been initially measured at the amount of the lease liability. Subsequent to initial measurement the lease liability increases as a result of interest charged at a constant rate on the balance outstanding and is reduced for any lease payments made. Right-of-use assets are depreciated on a straight-line basis over the remaining term of the lease.

	Land and Buildings £'000	Total £'000
RIGHT- OF-USE ASSET		
As at 1 May 2019	-	-
Additions	153	153
Amortisation	(21)	(21)
At 30 April 2020	132	132
LEASE LIABILITIES		
As at 1 May 2019	-	
Additions	153	153
Interest expense related to lease liabilities	3	3
Repayments	(27)	(27)
At 30 April 2020	129	129

	Up to three months £'000	Between 3 and 12 months £'000	Between 12 months and two years £'000
At 30 April 2020			
Lease liabilities	13	37	79

ANALYSIS OF LEASE EXPENSE	2020 £'000
Depreciation of right-of-use assets	
Land and buildings	21
Charge to operating loss	21
Interest expense related to lease liabilities	3
Charge to loss before taxation for leases	24

10. GOODWILL

	£'000
Cost at 1 May 2018 and 2019	3,415
Additions	-
Carrying value as at 30 April 2019 and 2020	3,415

Goodwill is allocated to cash generating units ('CGU') and in the opinion of the Directors the Group consists of a single CGU. The goodwill arose on the acquisition of the wholly owned subsidiary Company, Scancell Limited. The Directors have carried out an impairment review of the goodwill arising on the acquisition of

Scancell Limited. The Group has no budgeted revenues for the foreseeable future and so the Directors have compared the market capitalisation of Scancell Holdings plc, as quoted on AIM at the year end with the carrying value of goodwill and concluded that no impairment is necessary.

At 30 April 2020, the market capitalisation of the Company was £37.9 million (2019: £20.4 million).

11 TRADE AND OTHER RECEIVABLES

	2020	2019
	£'000	£'000
VAT receivable	66	192
Prepayments	305	486
	371	678

12 TRADE AND OTHER PAYABLES

	2020	2019
	£'000	£'000
Trade payables	395	716
Taxation and social security	61	58
Accruals	585	431
	1,041	1,205

13 SHARE CAPITAL

	2019	2020
	No.	No.
Allotted, issued and fully paid		
0.1p ordinary shares		
At 1st May	387,796,556	374,469,098
Shares issued during the year:		
13 June 2019 subscription for shares	77,559,311	
9 May 2018 – open offer to shareholders		10,142,838
17 July 2018 - exercise of share options		3,184,620
Number of shares in issue at 30 April	**465,355,867**	**387,796,556**

	£'000	£'000
Allotted, issued and fully paid		
0.1p ordinary shares	465	388

On 13 June 2019, Vulpes Life Science Fund subscribed for 77,559,311 ordinary shares at 5p each and raised £3.89 million (£3.84 million net proceeds). Since the year end and following approval at a General meeting of the Company held on 12th August 2020, the Company issued 163,771,525 ordinary shares of 0.01p at 5.5p per share raising £9 million gross proceeds (£8 million net proceeds).

All shares rank pari *passu* with voting rights and entitlement to dividend.

14 SHARE OPTIONS

The parent Company, Scancell Holdings plc, has granted options to members of staff as follows:

Share Scheme	Grant Date	Option Price	Number of shares	Period within which options are exercisable From	To
EMI	13.07.10	4.5p	6,730,000	02.12.11	14.07.20
	02.09.14	33.0p	80,000	02.09.17	02.09.24
	31.01.18	10.5p	5,829,064	31.01.18	31.01.28
	08.11.19	5.25p	180,000	08.11.19	08.11.29
	30.04.20	8.15p	1,000,000	30.04.20	30.04.30

The market price of the shares at 30 April 2020 was 8.15p and, the range during the year was 3.85p to 9.25p. Options may normally be exercised in whole or in part within the period of three to ten years after the date of the grant.

Further unapproved shares have been issued as follows:

Share Scheme	Grant Date	Option Price	Number of shares	Period within which options are exercisable From	To
Unapproved	29.06.10	4.5p	3,184,630	28.02.13	23.04.21
	10.12.13	33.2p	3,500,000	11.12.14	11.12.26
	18.04.16	17.0p	3,000,000	18.04.17	18.04.26
	31.01.18	10.5p	9,621,950	31.01.18	31.01.28
	30.04.20	8.15p	5,000,000	30.04.21	30.04.30

At 30 April 2020 the following options are held by Directors of the Company:

	Options At 30.04.19	Additions in the year	Cancelled or lapsed in the year	Options at 30.04.20	Exercise price	Date first exercisable	Expiry date
EMI Scheme							
L Durrant	3,850,000	-	-	3,850,000	4.5p	02.12.11	14.07.20
R Goodfellow	2,880,000	-	-	2,880,000	4.5p	02.12.11	14.07.20
S Adams	2,439,024	-	-	2,439,024	10.5p	31.01.18	31.01.28
C Holloway	2,439,024	-	-	2,439,024	10.5p	31.01.19	31.01.28
Unapproved							
L Durrant	9,000,000		-	9,000,000	10.5p	31.01.18	31.01.28
L Durrant		1,000,000	-	1,000,000	8.15p	30.04.20	30.04.30
R Goodfellow	3,500,000		-	3,500,000	33.2p	10.12.14	31.12.23
R Goodfellow		1,000,000	-	1,000,000	8.15p	30.04.20	30.04.30
J Chiplin	3,000,000		-	3,000,000	17.0p	18.04.17	18.04.26
J Chiplin		1,000,000	-	1,000,000	8.15p	30.04.20	30.04.30
S Adams	60.975		-	60,975	10.5p	31.01.18	31.01.28
S Adams		1,000,000	-	1,000,000	8.15p	30.04.20	30.04.30
C Holloway	560,975		-	560,975	10.5p	31.01.19	31.01.28
C Holloway		1,000,000	-	1,000,000	8.15p	30.04.20	30.04.30

The weighted average exercise prices over the year were as follows:

	Number	Exercise Price
Enterprise Management Scheme		
Number of options outstanding at 1 May 2019	13,004,064	7.39p
Additions in the year	1,180,000	7.70p
Cancellations/lapsed in the year	(365,000)	5.29p
Number of options outstanding at 30 April 2020	13,819,064	7.47p
Number of EMI options exercisable at 30 April 2020	300,677	10.5p
Unapproved Scheme		
Revised number of options outstanding at 1 May 2019	19,306,580	14.64p
Additions in the year	5,000,000	8.15p
Number of options outstanding at 30 April 2020	24,306,580	13.30p
Number of unapproved options exercisable at 30 April 2020	-	-

Within the unapproved options are those granted to Ichor Medical Systems Inc. ("Ichor") pursuant to the License and Supply Agreement ('the Agreement') dated 13 July 2009. Under the terms of the Agreement, Ichor agreed to supply its TriGrid™ electroporation device for Scancell's pre-clinical and forthcoming clinical studies with SCIB1 and gave Scancell an option to license TriGrid™ for commercial use on achievement of certain milestones and payment of royalties. In return, Ichor was granted options to subscribe for ordinary shares in the Company. The options have been granted at 4.5p per share and vest as follows.

3,184,630 on completion of first Phase II clinical trial

Each tranche of the options may be exercised at any time in the five year period after the relevant vesting date.

All share options are equity settled. All options are subject to time vesting schedules (normally three years) to ensure retention and stretching performance hurdles to ensure that rewards are consistent with delivery of strategic goals. Examples of performance hurdles include progress in clinical development programs, partnering and share price targets.

15. SHARE BASED PAYMENTS

The Group operates a number of share based incentive schemes as detailed in note 14 above. The fair value of the awards granted and the assumptions used in the calculations are as follows:

Date of Grant	Type of Award	Number of Awards	Exercise Price	Share price at grant date	Fair value per option
29 June 2010	Unapproved	3,184,630	4.5p	6.0p	2.2p
14 July 2010	EMI	6,730,000	4.5p	6.25p	2.1p
10 December 2013	Unapproved	3,500,000	33.2p	36.0p	4.0p
5 September 2014	EMI	80,000	33.0p	33.75p	6.0p
18 April 2016	Unapproved	3,000,000	17.0p	17.0p	3.0p
31 January 2018	EMI	5,829,064	10.5p	10.25p	1.0p
31 January 2018	Unapproved	9,621,950	10.5p	10.25p	1.0p
8 November 2019	EMI	180,000	5.25p	5.25p	1.0p
30 April 2020	EMI	1,000,000	8.15p	8.15p	2.0p

30 April 2020	Unapproved	5,000,000	8.15p	8.15p	2.0p

A description of the key assumptions used in calculating the share-based payments are as follows:

1. The Black-Scholes valuation methodology was used where appropriate.
2. The expected volatility is based upon historical volatility over a period of time and was 90.9% (2019: the volatility was not applicable for this year).
3. The expected life used in the model varies between two and five years and is based upon management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations.
4. The risk-free rate is based upon the prevailing UK bank base rate at grant date.
5. Expected dividend yield is nil.
6. The weighted average fair value of options granted in the year was 2p (2019: no options granted)

16 RELATED PARTY TRANSACTIONS

During the year, the following directors provided consultancy services to the company as follows:

	2020 Total	2019 Total
	£'000	£'000
Professor L Durrant	£nil	£39
Dr R.M Goodfellow	£68	£126
Dr J Chiplin	£117	£50
Dr A Lewis	£25	£26

At the end of the year the following balances were outstanding:

	2020	2019
	£'000	£'000
Dr Richard Goodfellow	£nil	£6

All of the above transactions were conducted under normal commercial terms.

Professor L Durrant, and Dr J Chiplin provided their consultancy through limited companies.

17 FINANCIAL INSTRUMENTS

The Group currently finances its operations through reserves of cash and liquid resources and does not have a borrowing requirement. Surplus cash at bank is placed on deposits at variable rates. The Board monitors the financial markets and the Group's own requirements to ensure that the policies are exercised in the Group's best interests.

Liquidity risk
Liquidity risk is the risk that the Group and Company will not be able to meet their financial obligations as they fall due. The Group and Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group and Company's reputation.

Market risk
Market risk is the risk that changes in market prices, such as interest rates and exchange rates will affect the Group and Company's income or the value of the holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters whilst optimising the return.

The Group has no cash assets other than sterling current account balances of £3,575,227 (2019: £4,559,949) which are instantly available funds attracting variable rates of interest.

Credit risk
Credit risk is the risk of financial loss to the Group and Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from a Company's receivables from Customers. The Group and Company have no third-party customers and so this risk is viewed as minimal. Credit risk is considered for intercompany loans however the risk is mitigated through the management of those loans by way of regular capital contributions.

Maturity of financial liabilities
All of the Group's financial liabilities as at 30 April 2020 are payable within twelve months.

Fair values
All of the Group's financial assets and liabilities are initially recognised at transaction value. There is no material difference between the book value and the fair value of the Group's financial assets or liabilities.

The Group's financial instruments comprise cash and cash equivalents and items such as trade and other payables which arise directly from its operations. The main purpose of these financial instruments is to provide finance for the Group's operations.

Financial instruments

Group

	2020	2019
	£'000	£'000
Cash assets		
Cash and cash equivalents	3,575	4,560
Financial liabilities		
Trade and other payables and lease liabilities	(1,170)	(1,148)

18 AMOUNTS PAYABLE UNDER LEASE ARRANGEMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2020	2019
Land and buildings	£'000	£'000
Within one year	126	72
Between one and five years	86	23
Later than five years	-	-
	212	95

19 SUBSEQUENT EVENTS

Following the approval of shareholders at a General Meeting of the Company held on 12 August 2020, the Company issued 163,771,225 ordinary shares of 0.01p at 5.5p each by way of a Placing (36,363,636 shares), Subscription (90,909,090 shares) and Open Offer to shareholders (36,498,499) raising £8m net proceeds. In addition, the company issued £6m of Convertible Loan Notes ('CLNs) which are exercisable at 6.2p per share and if not converted by 12 August 2022 the £6m is repayable by the Company on that date. The CNL's are interest free.

In addition to this funding, in August 2020 the Company announced that it had been awarded a grant of approximately £2 million by Innovate UK to initiate a Phase 1 Clinical Trial for the development of a vaccine for COVID-19.

On 12th October 2020, Redmile Group LLC subscribed for an additional 93,071,170 ordinary shares of 13p raising ad additional £12.1 million (gross proceeds).

Scancell Holdings plc

COMPANY STATEMENT OF FINANCIAL POSITION

As at 30 April 2020

		2020	2019
ASSETS		£'000	£'000
Non-current assets			
Investments	A	34,066	4,943
		34,066	4,943
Current assets			
Trade and other receivables	B	250	26,965
Cash and cash equivalents		3,108	1,891
		3,358	28,856
TOTAL ASSETS		37,424	33,799
LIABILITIES			
Current Liabilities			
Trade and other payables	C	(167)	(162)
TOTAL LIABILITIES		(167)	(162)
NET ASSETS		37,257	33,637
SHAREHOLDERS' EQUITY			
Called up share capital	14	465	388
Share premium		38,388	34,639
Share option reserve		372	382
Profit and loss account		(1,968)	(1,771)
TOTAL SHAREHOLDERS' EQUITY		37,257	33,637

The Company's loss and total comprehensive loss for the financial year was £195,942 (2019: loss £83,823).

These financial statements were approved by the Directors on 15 October 2020 and are authorised for issue and are signed on their behalf by:

John Chiplin
Director

Scancell Holdings plc

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 30 April 2020

	Share Capital	Share Premium	Share Option	Retained Earnings	Total
	£'000	£'000	£'000	£'000	£'000
Balance 30 April 2018	375	33,374	636	(1,687)	32,698
Share issue	10	1,207			1,217
Expenses of issue		(83)			(83)
Exercise of share options	3	140			143
Loss for the year				(84)	(84)
Share option charge			(254)		(254)
Balance 30 April 2019	388	34,638	382	(1,771)	33,637
Share issue	77	3,800			3,877
Expenses of issue		(50)			(50)
Loss for the year				(197)	(197)
Share option charge			(10)		(10)
Balance 30 April 2020	465	38,388	372	(1,968)	37,257

Scancell Holdings plc

COMPANY CASHFLOW STATEMENT

for the year ended 30 April 2020

	2020 £'000	2019 £'000
Operating activities		
Loss before tax for the year	(197)	(84)
Bank interest received in year	(12)	-
Cash used in operations before changes in working capital	**(209)**	**(84)**
(Increase)/Decrease in amounts receivable	(211)	112
(Decrease)/Increase in amounts payable	5	(57)
Cash used in operations	**(414)**	**(29)**
Income taxes received	-	-
Net cash used in operating activities	**(414)**	**(29)**
Financing activities		
Proceeds from issue of share capital	3,877	1,217
Expenses of share issue	(50)	(83)
Finance income	12	
Exercise of share options	-	143
Net cash generated from financing activities	**3,839**	**1,277**
Investing Activities		
Capital contribution to subsidiary company	(2,208)	-
Cash used in investing activities	**(2,208)**	**-**
Net increase in cash and cash equivalents	**1,217**	**1,248**
Cash and cash equivalents at beginning of the year	**1,891**	**643**
Cash and cash equivalents at end of the year	**3,108**	**1,891**

A FIXED ASSET INVESTMENTS

COMPANY - shares in Group undertaking	£'000
Cost at 1 May 2018	5,197
Share options exercised	-
Share options granted/cancelled	(254)
Cost at 30 April 2019	4,943
Capital contribution to subsidiary company	29,133
Share options granted/cancelled	(10)
Cost at 30 April 2020	34,006

The Company's investment at the balance sheet date represents 100% of the ordinary share capital of its subsidiary Company, Scancell Limited, registered in the UK whose business is the discovery and development of treatments for cancer. There are no significant restrictions within the Group regarding access or use of assets or settling liabilities.

During the year the Directors agreed to waive the amounts owed by Scancell Limited with effect from 30 April 2019 and treat the waived amount as a Capital Contribution to Scancell Limited. At 30 April 2019 this sum amounted to £26.9 million and a further amount of £2.2 million was waived in respect of the current year to 30 April 2020.

At 30 April 2020 the aggregate capital and reserves of Scancell Limited was £1,042,561 (2019: £22,771,170) and its loss for the financial year was £5,308,988 (2019: Loss of £5,543,665).

B TRADE AND OTHER RECEIVABLES

Company	2020 £'000	2019 £'000
Amount owed by Group undertakings	208	26,925
VAT receivable	17	13
Prepayments	25	27
	250	26,965

The amounts owed by Group undertakings are interest free with no set repayment term.

C TRADE AND OTHER PAYABLES

Trade creditors	46	23
Accruals	121	139
	167	162

D RELATED PARTIES

The Company has a loan with its parent company, Scancell Holdings plc. At the year end the amount owing to Scancell Holdings plc amounted to £208,454 (2019: £26,924,887). The loan is interest free and there are no set repayment terms.

E FINANCIAL INSTRUMENTS

Financial assets		
Cash and cash equivalents	3,108	1,891
Trade and other receivables	250	26,964

Financial liabilities		
Trade and other payables	(166)	(162)

The carrying amounts are equal to the fair value therefore no impairment is required.

F SUBSEQUENT EVENTS

Following the approval of shareholders at a General Meeting of the Company held on 12 August 2020, the Company issued 163,771,225 ordinary shares of 0.01p at 5.5p each by way of a Placing (36,363,636 shares), Subscription (90,909,090 shares) and Open Offer to shareholders (36,498,499) raising £8m net proceeds. In addition, the company issued £6m of Convertible Loan Notes ('CLNs) which are exercisable at 6.2p per share and if not converted by 12 August 2022 the £6m is repayable by the Company on that date. The CLN's are interest free.

In addition to this funding, in August 2020 the Company announced that it had been awarded a grant of approximately £2 million by Innovate UK to initiate a Phase 1 Clinical Trial for the development of a vaccine for COVID-19.

On 12th October 2020, Redmile Group LLC subscribed for an additional 93,071,170 ordinary shares of 13p raising ad additional £12.1 million (gross proceeds).